

THE INFLUENCE OF ORGANIZATIONAL CULTURE UPON KNOWLEDGE TRANSFER WITHIN ORGANIZATIONS

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Abstract:

The purpose of this paper is to research the influence of organizational culture upon knowledge transfer within organizations. The paper structure provides first the conceptualization of organizational culture and afterwards some evidences from real practice about how it influences the individuals work and collaboration. Organizational culture has become a subject of research in management sciences in the 80s. Culture is based on the beliefs, values and behaviors deemed appropriate by its members. Culture can cause by employees leaving the organization or it can make them behave consistently with distinction. In a world where technology is moving that fast, you just can't stay in one place, you have to develop and evolve. Here is where the knowledge management can influence the organizational culture. Starting with this idea in mind, we elaborated a questionnaire with 20 questions which was filled by 108 AIESEC members from 14 cities from Romania. Throughout this questionnaire we will argue the interdependence between knowledge management and organizational culture. There are some statements that we researched during this survey. The final part of the paper provides concluding remarks and recommendations.

Key words: organizational culture, knowledge transfer, knowledge sharing, knowledge management.

JEL classification: M10, M12, M21.

1. TRADITIONAL AND MODERN APPROACHES OF ORGANIZATIONAL CULTURE

In order to define culture we must start from man's existential status: "*Within us we are the same, culture is one that makes the difference*" Confucius. Culture exists wherever there is man: for he is the created world, "an extension of nature and a new dimension of the universe," said the great Romanian poet Lucian Blaga. We are born into a culture, we form and stabilize us in a cultural horizon, and we are both creators and receivers of culture. The term "culture" is thus a system of values, norms of behavior, patterns of thought and action are learned and accepted by a collective and determine that this social group to be clearly distinguished from other social groups. [13], [14], [19] The culture of an organization is closely linked to the culture of the country, but it is not the same. Organizational culture is like the personality of a person: it is hard to construct, and harder to change. The difference is that organizations in order to survive and further to prosper, they must change. [13]

Organizational culture has become a subject of research in management sciences in the 80s. Through their works several authors have established an important beginning to study further the concept of organizational culture: Geert Hofstede (1980), Terrence Deal and Allan Kennedy (1982), Richard Thomas Peters and Waterman (1982). [9], [4], [16] Over time there have been attempts to find a universal definition of organizational culture, but this was not possible due to the broad concept. Therefore, to give a relevant definition of culture we will present below some definitions by different authors, in order to make visible the elements that occur more frequently. [1, p.81]

According to T. J. Peters (1982), organizational culture responds to satisfy a primordial human need such as control, positive feedback, the need for stability and safety or ideological needs that structure purpose, direction, purpose and action within the organization. [14] In 1985, Geert Hofstede conducted a survey on organizational culture based on a research developed in IBM subsidiaries in 50 countries. After analyzing the results, he concluded that there are four aspects depending on which organizational culture can be addressed: femininity or masculinity, high or low power distance, low or high uncertainty avoidance, collectivism or individualism. In the same year, Edgar Schein defines culture as "the totality of common knowledge accumulated by a group of employees, gained in their implementation and while facing the challenges of environmental and company development". [18] In his work, Tantau speaks about the vision of N. Oliver and J. Lowe which is a similar one as they say that "organizational culture is a set of beliefs shared by most of the staff of an organization related to how employees should behave at work and towards the most important goals and tasks they have to accomplish." [14] Culture is based on the beliefs, values and behaviors deemed appropriate by its members. Culture can cause by employees leaving the organization or it can make them behave consistently with distinction. [19] Charles Handy defines organizational culture as "an aggregation of values, beliefs and attitudes", shared by members of the organization. [1], [6], [7]

From the above definitions we notice that most authors define organizational culture as the totality of norms, values and assumptions that are shared by the organization's members. From another point of view organizational culture is a lifestyle, it is she who gives "personality and identity of an organization" MC Namara, 1997. [1], [7], [8] In the end culture reflects the lessons we have learned in the past and are considered sufficiently important to be submitted to the next generations, lessons that are learned over time through hard work and experience. Organizational culture is becoming stronger and stronger when members act according to its principles and values, when members are found to belong to that organization feel. A strong culture contributes to the motivation and performance of members. It plays an important role in the integration and adaptation of members in the organization. Considering the contribution of innovation in growing the organization's performance, several studies have focused to identify the factors that can improve the level of innovation. Currently one of the variables deemed to have great influence on innovation is organizational culture. [2] Nowadays authors say that organizational culture is "what we do when we think no one is watching us" or even more realistic "how we do things in our organization?"

Until present there is neither a uniform nor a universal definition of organizational culture, the description provided by Schein (2001) as a pattern of basic beliefs and assumptions learned and shared by a group that is taught to new members as the accepted way to perceive, think, and feel when interacting with other members of the group is representative of many definitions. [18] We generally perceive culture as a shared experience by individuals creating a system with meaning, values, and beliefs that influences and shapes individual and group behaviors. Unseen and intangible, organizational culture may be the most influential factor in influencing the effectiveness of KM initiatives. [3], [14] Within an organization there are behavioral manifestations of organizational culture that may represent barriers to social interactions limiting the effectiveness of common knowledge processes. Such obstacles identified by Hansen and Nohria (2004) include resistance to seek input and learn from the experience of others, unwillingness to assist other members, and resistance to working together and sharing knowledge. [7] Many other different key elements that are frequently identified about organizational culture refer to altruism, reciprocity, trust, openness, sociability, motivation, and commitment. [3], [10], [11], [13]

"Organizational culture largely contributes to the development of intellectual capital, which increases the innovation potential of the entity. It also has a key role in change management, strategic management and risk management. Organizational culture is a powerful integrator as individuals act mostly on intelligence and the fundamental values of each member, generating a spirit of excellence inside the organization". [1] In our own vision, organizational culture is all elements that define and give identity to the organization: values, customs, and vision. Organizational culture is how things happen in the organization, where decisions are made, the

reasoning behind the actions, the way people work and have fun in this organization. Culture exists wherever there is man, because man made culture.

2. THE COMPONENTS OF ORGANIZATIONAL CULTURE

Regarded as a whole, organizational culture is more than the sum of the components. It is the result of interaction with the elements themselves, the personality of organization's members, the external environment in which it operates. In 1976, Edward T. Hall claims that organizational culture can be likened to an iceberg, a small part of the visible surface (secondary elements) and most of the hidden underwater (primary elements). The water surface represents all elements visible and tangible, elements that can be easily changed and influenced. Here we highlight symbols and slogans, patterns of behavior, dress code, physical attitudes, strategy, structure, vision, rituals and ceremonies, habits. This part of the culture can answer the question: "How are things here?" The hidden organizational culture is composed of elements such as values, teachings, knowledge, unwritten rules, how to work, motivation, learning styles, experience. This part of the culture answers the question "Why do we do the things we do?". Hall believes that the only way to understand the inner part of the organizational culture is to participate and be active in that organization. When a new user enters the organization, he observes only the visible once he/she spends more time in the organization, he/she will begin to understand what is the purpose, why do the things they do, he/she will know if is represented or not by that culture. Edward T. Hall's model conclusion is that an organization cannot be judged only by what we see at first glance. We must take time to interact with members of the organization and its culture, so that we can understand the only way we can truly discover the reasons behind the actions they take.[5] In 2002, Kermally S. said: "Organizational culture includes important aspects as the following: - How employees are treated, - How customers are treated, -How business partners are treated, -How employees are promoted, -How it is leading forums, -How are memorizing and integrate new employees, -How motivated employees, -How is assessed performance, -Relations between employees, -How decisions and policies are communicated to employees, -How are rewarded the employees." [11]

Another model that describes the organizational culture and values of the organization positioned as the main element that distinguishes a culture of an organization is the Matrix McKinsey 7-S. It involves seven elements that define successful companies: strategy, structure, systems, style, staff, skills (skills) and value system, which is central to network and "support" the other 6 S, which gives the key element for success in business. [10]

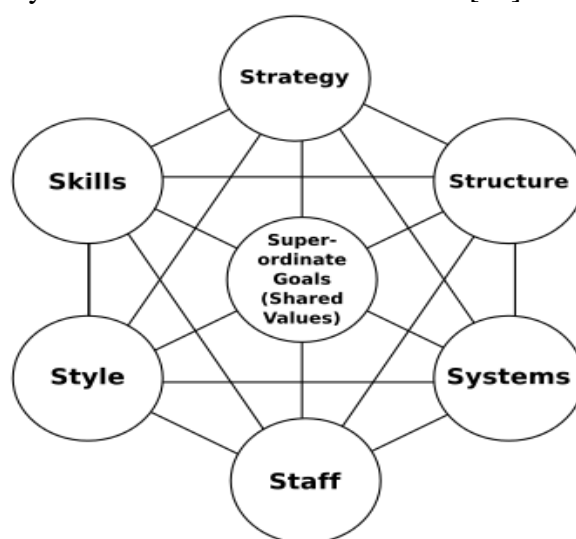


Figure 1. McKinsey 7-S Framework

Source: McKinsey 7-S Framework; adapted after [10, p. 631]

In 1982, Peters and Waterman emphasized the special importance of organizational culture to achieve excellence: "Companies marked by excellent organizational culture are very strong, so

strong that you adapt or leave. There are no half measures for people in such companies". Such an organization with a strong organizational culture is AIESEC. It differs from the others by a special culture, a culture which was founded since 1948 and continues to evolve from year to year increasingly more. The 7-S model may be used in a wide variety of situations in which the alignment of essential components of the organization is useful. Such contexts and objectives may be: to improve the performance of a company; to examine the likely effects of future changes in the company; to harmonize departments and processes during a merger or acquisitions; to determine how best to implement a proposed strategy. "Hard" elements are more easily defined or identified and managers can directly influence these elements. These are organizations approved strategic plans, organizational charts and reporting lines, hierarchical and organizational systems, executive, operational. The "soft" elements on the other hand, can be described more difficult to identify and less tangible and influenced by culture. However, these elements are equally important as the "hard" in order for the organization will be successful. There exists a strong interdependence between these elements and any change will affect all the others. [10], [12]

3. CASE STUDY BASED ON QUESTIONNAIRE

Organizational culture defines an organization and has to reflect its beliefs, values, and customs. We believe that today, organizational culture can be influenced a lot by knowledge management. In a world where technology is moving that fast, you just can't stay in one place, you have to develop and evolve. At this point knowledge management can influence the organizational culture and this argument led to the elaboration of this research.

The overall objective of this paper is to analyze and identify the interdependence between organizational culture and knowledge management in organizations. We propose to identify which are the key elements of the organizational culture that make it possible to implement the new concept of knowledge management in organizations. As our study case, we took the organization AIESEC from all towns in Romania where it exists (Arad, Brasov, Bucharest, Cluj-Napoca, Constanta, Craiova, Galati, Iasi, Oradea, Pitesti, Ploiesti, Sibiu, Suceava, Targu Mures, Timisoara) in order to have an overview of the current situation of AIESEC in Romania on the chosen topic. We believe that the choice was the right one because, unlike in private organizations or in state institutions, AIESEC organizational culture is very strongly developed and knowledge management has been implemented in the organization for already several decades. Starting with this idea in mind, we elaborated a questionnaire with 20 questions which was filled by 108 AIESEC members from 14 cities from Romania.

Throughout this questionnaire we will argue the interdependence between knowledge management and organizational culture. There are some statements that we investigated through this survey. They are listed and discussed below.

3.1. THE EXECUTIVE BOARD DISCUSSES WITH MEMBERS ABOUT THE VISION AND SET OF OBJECTIVES AT THE BEGINNING OF THE TERM

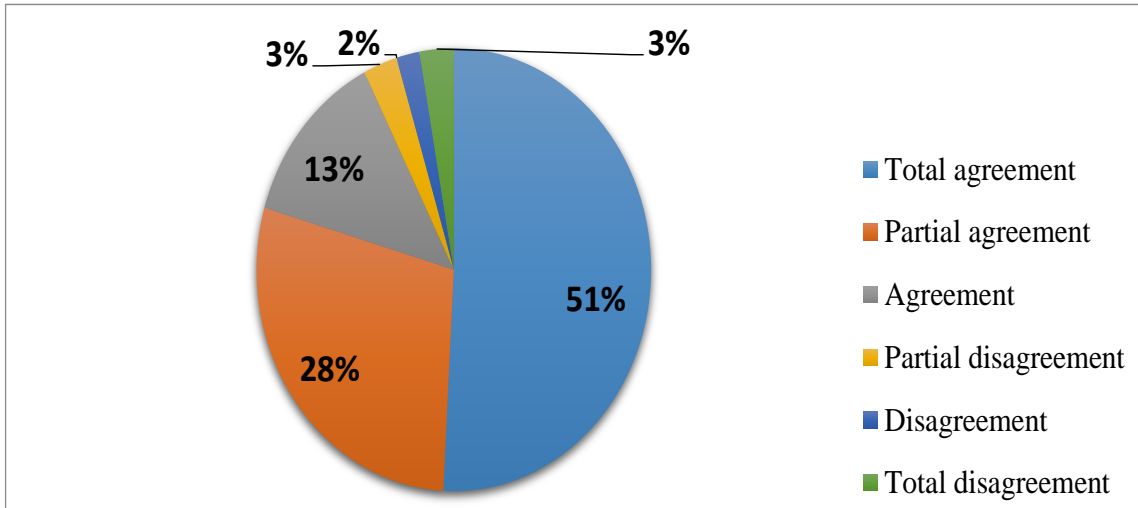
At the beginning of the term, the executive board attends a conference. The main purpose of the conference is that at this meeting to establish the vision, mission and objectives, and also the team creates the plan for the next 6 months.

The executive board is responsible for the implementation of knowledge management strategy in the organization. After the conference, they will downscale all the information to the members. This is an important learning process for them. More than 51% of the members from AIESEC in Romania, totally agree with this. 41% of them agree or partially agree with this statement and 8% - disagree. We have these results most probably because of miscommunication that exists in every organization and it's a phenomenon very difficult to totally avoid.

What we must conclude at this point is that in order to be successful, a vision must be realistic and convincing, both members of the organization and for its stakeholders. To turn the vision into

action, it must generate confidence in the future and its possibilities of realization. Members must identify their goals in the vision of the organization so as to be motivated to work for accomplishing it. "The vision involves a projection into the future of the organization, a project to inspire and motivate members." [1]

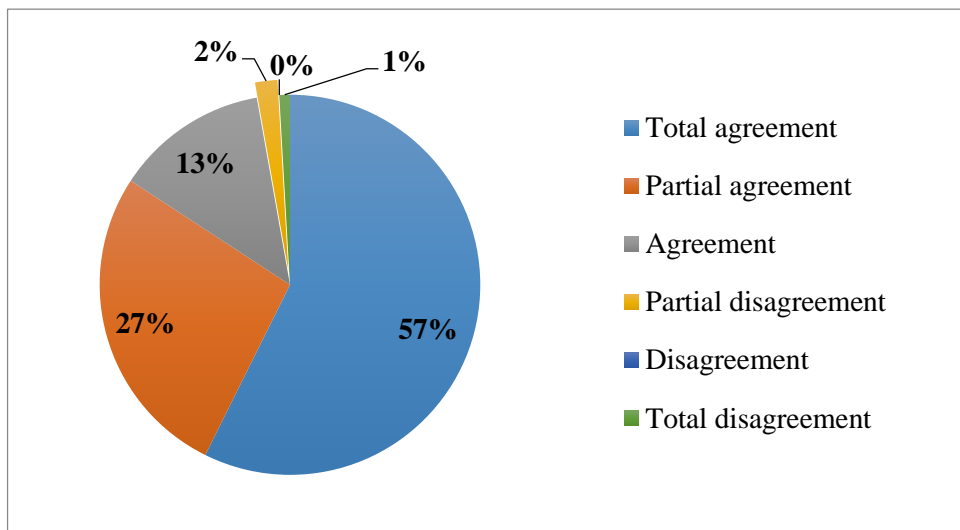
Throughout its history and also according to its present status, AIESEC has proved to have such a dynamic vision that motivates and supports its members during difficult challenges.



Graph no.1 - Results for Q1

(The executive board discusses with members about the vision and set of objectives at the beginning of the term)

3.2. THE ORGANIZATION ENCOURAGES THE EXPRESSION OF HONEST OPINIONS, EVEN CONFLICTING ONES



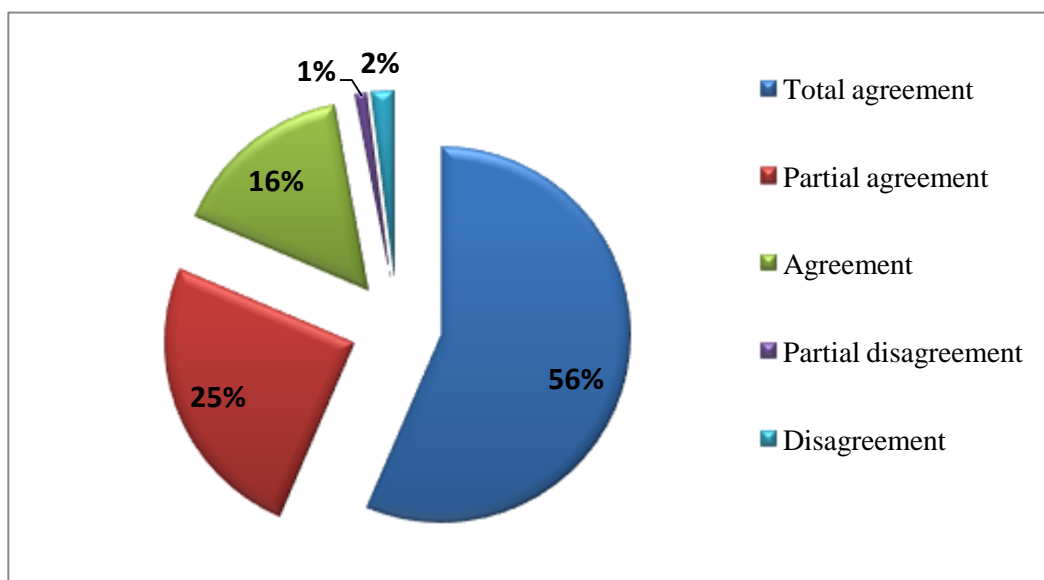
Graph no.2 - Results for Q2

(The organization encourages the expression of honest opinions, even conflicting ones)

One of the things that are characteristic to AIESEC culture is the feedback session. Members are organized at least twice during the team experience. The members are encouraged to express their opinions even if they are good or bad. The team is discussing all the problems and challenges they are facing. Besides this, in AIESEC, members are encouraged to express their honest opinions about the executive board’s way of working. There are anonymous feedback forms that are being filled once per month in order for the management team to improve different things.

The results show us that 57% of the members totally agree that the organization encourages the expression of honest opinion, even conflicting ones. This is happening because members feel confident to tell each other what are the things that they don't like due to the fact that they are becoming friends while working in the same team. There are just 3% (2%-Partial disagreement + 1% - Total Disagreement) of the people that disagree with the statement and this is happening because at some point there could be things that haven't been said, but this situation is very rare, as the results show us.

3.3. THE ORGANIZATION ENCOURAGES TRANSFER OF KNOWLEDGE BETWEEN GENERATIONS



Graph no.3 - Results for Q3

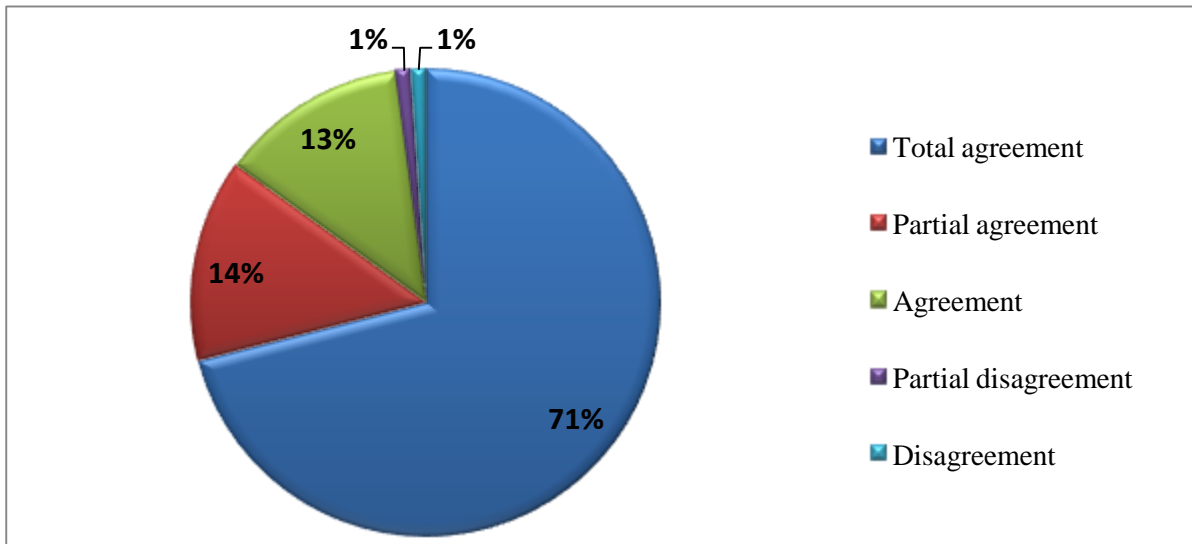
(The organization encourages transfer of knowledge between generations)

The knowledge transfer between generations takes place during the transition period, a process each executive board and team leader is passing through. It is usually happening at the end of the term and has clear guidelines. The knowledge transfer also takes place between buddy and the new members and between vice president and his members.

Through the discussion that executive board is having with the members, there are a lot of information that passes from a generation to another, that's why we have more than 90% of the members who agree that they know about the organizational objectives, vision and mission. This is an example that proves that AIESEC encourages transfer of knowledge between generations. 56% of the members agree with this statement and 2% of them- disagree. Information is transmitted not just through a formal way. In all the activities (trainings, conferences, workshops) facilitators are trying to make the learning process as easy and interactive as possible.

3.4. THERE ARE TRAININGS DELIVERED FOR NEW MEMBERS FOR MORE RAPID INTEGRATION WITHIN THE ORGANIZATION

The process of becoming an AIESEC member is not an easy one. Candidates should pass through a lot of phases and challenges. Immediately after joining the organization, new members have to pass through Induction period. It's a period of some days in which the newcomers receive trainings and all the information that is needed for a new AIESEC member. All the trainings and workshops are facilitated by the members from the executive board, alumni or external trainers.

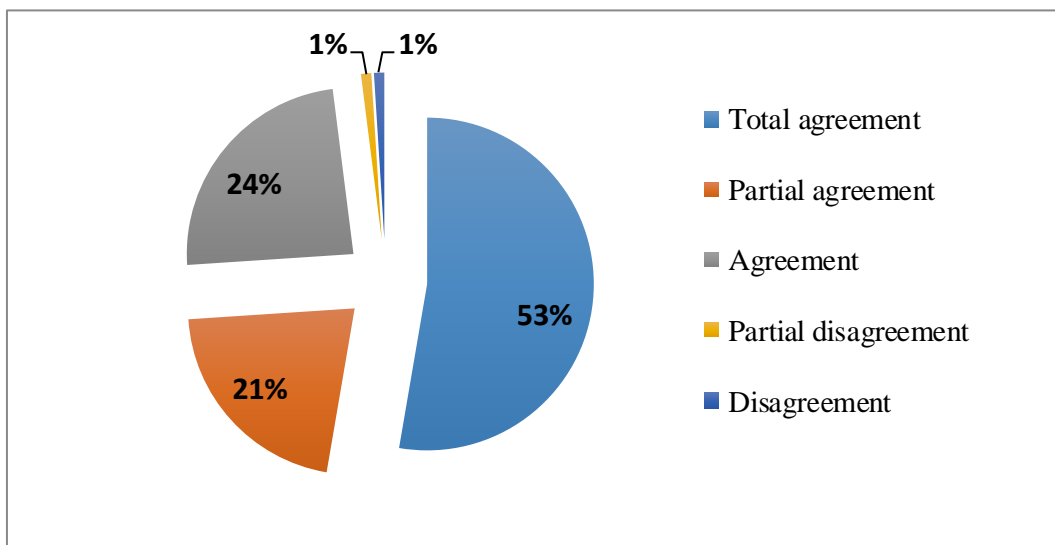


Graph no.4 - Results for Q4

(There are trainings delivered for new members for more rapid integration within the organization)

The trainings are created in an interactive way in order for new members to integrate better in organization. As we can notice in the chart, just 2% of them do not agree with the statement. 98% of the members agree with the fact that there are trainings delivered for them for more rapid integration within the organization. This result is due to the fact that in the organization there is a continuing concern for its future, as we can see at statement number 7. A big number of members (71%) totally agree with this.

3.5. ORGANIZATIONAL CULTURE ENCOURAGES KNOWLEDGE TRANSFER BETWEEN MEMBERS



Graph no.5 - Results for Q5

(Organizational culture encourages knowledge transfer between members)

Knowledge management is an important objective that is present in all the strategies that AIESEC is creating. Beside the theoretical part, it's important to notice that AIESEC is really implementing the knowledge management in the organization, something that not all the organizations are doing today.

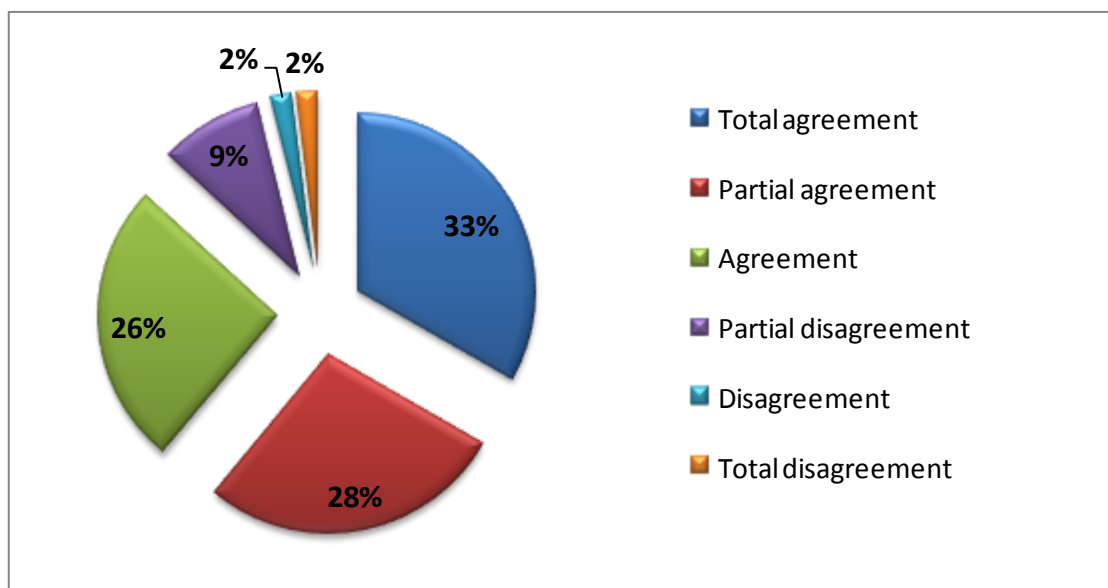
During the meetings, conferences, one2one discussions, there is provided the space in which members can share knowledge and learn from each other. This is a very important pillar that can

ensure the long term members development. If a member encounters a problem, he feels free to ask another member for help, even if he is from another city or country. This is a part of organizational culture of AIESEC and that's why we can notice in the chart that more than 90% of the members agree with the fact that knowledge transfer between members is encouraged in AIESEC.

3.6. EXECUTIVE BOARD ENCOURAGES MEMBERS TO PARTICIPATE IN THE DECISION MAKING PROCESS

Usually, the most important decisions are taken by executive board. They are the people who are taking responsibility for their actions and have the most serious stuff to do. Members are involved in the decision making process while they are creating their own planning with the actions and objectives that they want to achieve. While they are setting their personal goals, they have more commitment to them instead if those goals were set by their vice president. In this way they have the power to make decisions and the right to fail and to learn from mistakes. Even if they are doing this, from the chart we can notice that this is not enough for them and they want more, they want to speak up for what they stand for and to decide important things.

At this moment, the executive boards of AIESEC in Romania are not prepared to give this responsibility in member's hands, that's why, more than 10% of the members disagree with the statement. Even though the disagreement percentage seems to be big, there are almost 90% of the members who think that executive board encourages them to participate in the decision making process. Of course there are still a lot of things to do regarding this topic and I will start by saying that team leaders have to get to know their members better in order to trust them and to ensure a qualitative communication between them and members.



Graph no.6 - Results for Q6

(Executive board encourages members to participate in the decision making process)

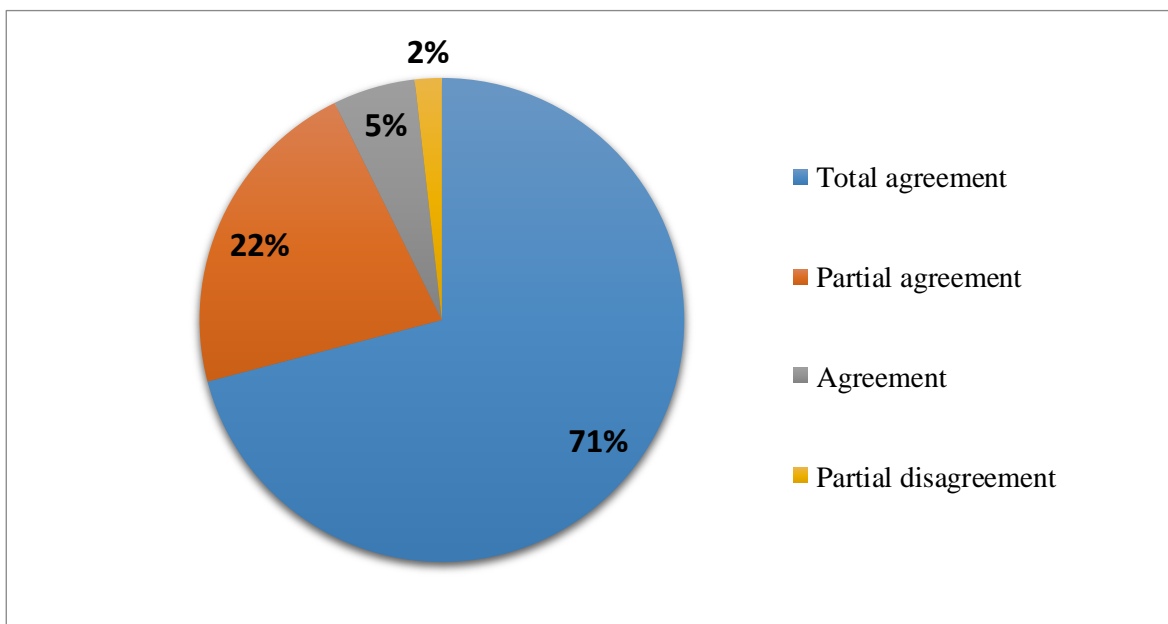
As we have observed from previous comments on item 5 and item 6 - in order for knowledge management to reach the maximum, within the organization must be fostered and encouraged knowledge sharing between employees. One of the most important responsibilities of the manager is to identify the source of know-how in the organization to know which direction should invest more effort and resources. In the day-to-day life of the organization there always occur changes and flexibility should be one of the most important values / traits that an organization must have if it wants to achieve its objectives.

By means of knowledge management, it must constantly adapt changes that occur in the external environment. "A properly implemented management system must be accessible to all, must

help the user based on the information contained in it to take the correct decision in a relatively short time. [17] There are several steps that must be done in order to implement the system of knowledge management in organizations: 1. Identify the problem; 2. Preparing for change; 3. It creates knowledge management team; 4. Perform an audit and analysis of knowledge organization; 5. It has held key defining characteristics; 6. Implement knowledge management components; 7. There is connecting people to knowledge.

In conclusion, knowledge management has a duty to fill the gap between tacit and explicit knowledge, and all activities that occur, are taken to achieve the objectives of increasing profitability and gaining competitive advantage.

3.7. IN THE ORGANIZATION THERE IS A CONTINUING CONCERN FOR ITS FUTURE



Graph no.7 - Results for Q7

(In the organization there is a continuing concern for its future)

As you can see at the statements above, all the actions that people are doing in the organization are for one big purpose, the vision: peace and fulfillment of humankind's potential. AIESEC cares about its people because they are the future. There is a road map with concrete steps that should be done in order to achieve the vision and it can't be done without the leaders that AIESEC is developing through its projects. In conferences and meetings, members have the space to create new projects and strategies for a better future, all their actions are directed in achieving the vision.

As we can see in the chart, 71% of the members totally agree with the statement that in the organization there is a continuing concern for its future. 27% also agree with it and I admit that these are the most involved and passionate members, the ones that understand and care about the future of AIESEC and the future of the world.

4. CONCLUSIONS AND RECOMMENDATIONS

Organizational culture is the one that gives the organization the opportunity to identify itself among the other companies on the market. It has a great influence on its members, it may lead them to leave or remain in the organization. When an organization has a well defined culture, its members will feel that they are part of a community, that they are working for a common goal and

they will find there the space to develop themselves. These are the things that can motivate them to stay there more than money. An organization with a strong culture is an organization that respects its identity and values, members and stakeholders.

During this research it was confirmed that AIESEC is an organization with a strong culture and a great purpose. AIESEC realized that people are the most valuable resource of the organization and the first thing that it should do is to invest in people, because people are the ones who create the culture. Investing in people means providing them the space to develop, to make mistakes and to learn from them and such to get out of their comfort zone.

One of the most valuable investments that AIESEC did for its people is creating strategies of knowledge management. This concept is implemented in organization and it has a big success. Most of the members are satisfied with the preparation that they are receiving. AIESEC creates them the space to learn from each other. There are some essential knowledge management processes as induction and transition that are ensuring the leadership body that their members are developing the right way. These processes are not often found in other organizations and this represents an added value for AIESEC members.

The research showed me that there are still a lot of things do implement and improve the good part is that the members of the organization have passion and desire to do this.

We believe that the good interdependence between organizational culture and knowledge management makes AIESEC a successful organization. This is not a thing that can be learned in one week, this is a process that takes time and patience and the meaningful vision of the organization is the one that kept it alive for so many years.

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